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**Near East and  
South Asia Review**



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**1 February 1985**

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1 February 1985*

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**Near East and  
South Asia Review**

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The Congress Party's landslide victory in late December reflected voter support for Rajiv Gandhi's leadership and dynastic continuity, but the unprecedeted win masks weaknesses in Rajiv's political position and the underrepresentation of the opposition in Parliament could encourage political activism outside it <input type="checkbox"/>	25X1	
<b>India: A New Generation Takes Charge</b> <input type="checkbox"/>	5	25X1
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India's new leaders have been schooled in scientific and technical subjects and trained in India's private business houses or state enterprises before being drawn to public service, and this new leadership has the backing of the postindependence generation of Indians in its attempts to accelerate the pace of economic and social change. <input type="checkbox"/>	25X1	
<b>India: Rajiv Gandhi's Economic Policies—Early Signposts</b> <input type="checkbox"/>	9	25X1
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Economic policy under Prime Minister Rajiv Gandhi will emphasize improvement in industrial productivity through assimilation of modern technology and decentralization of decisionmaking in the public sector, but Rajiv must still address the domestic and international financial problems that could limit his policy options. <input type="checkbox"/>	25X1	
<b>India: The Threat of Hindu Revivalism</b> <input type="checkbox"/>	13	25X1
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Hindu revivalism will increasingly inflame communal tensions and undermine the official secularism that has helped maintain the unity of Indian society, but, because of its rigid ideology, revivalism is unlikely to gain acceptance among most Hindus. <input type="checkbox"/>	25X1	

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**Israel's Unity Government: How Long Will It Survive?**

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Recent developments indicate that Labor and its allies are strong enough to form a coalition government without Likud, and the odds are better than even that Labor will orchestrate a coalition crisis later this year to dissolve the unity government if Israel completes its withdrawal from Lebanon without serious problems.

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**Israel's Lavi: Today's Fighter Tomorrow**

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Israel's program to build a multirole strike fighter comparable to the F-16 by 1990 may be economically unfeasible, as the aircraft will eventually cost more than the F-16, be less capable, and thus probably unable to compete in the world aircraft market of the 1990s.

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**Kuwait's National Assembly Election: *Diwaniyya* Democracy**

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Kuwait will hold an election on 20 February for its 50-man National Assembly, the only elected political institution on the Arabian Peninsula, and the ruling family, while relieved that the country is stable enough to permit such an election, hopes that this will help avert the polarizing influence of religious and political extremism.

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**Iran's Diplomatic Corps: Bewhiskered, Bothered, and Bewildered**

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The Khomeini regime has not fully revamped Iran's diplomatic service despite its nearly six years in power, and competing power centers within the Foreign Ministry—combined with cronyism in staffing Iranian embassies—have led to policy about-faces, duplication of effort, and rampant disharmony among Iranian diplomats.

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**International Conference Examines Shia Activism**

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Shia activism, especially in Iran and Lebanon, may not yet have reached its peak, and not enough time has passed for a confident evaluation of its internal and external impact.

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**Pakistan: Reflections on Zia's Referendum**

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President Zia's referendum last December was neither the great victory he proclaimed nor the disaster claimed by the opposition, for Zia still retains the initiative but will have to broaden his constituency if he is to gain a workable result in the coming elections

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**Bangladesh: Soviet Subversive Efforts**

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Soviet subversion in Bangladesh takes the form of financing opposition parties and politicians, sponsoring antigovernment strikes, and spreading disinformation about US policy, but, while this contributes to Bangladesh's present political stalemate, President Ershad is not seriously threatened by Soviet meddling.

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**Sudan: Disjoined Justice**

43

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Sudan's legal system—buffeted by President Nimeiri's frequent restructuring of the courts and reshuffling of judges during the past year—is in disarray, and, if Nimeiri continues to meddle in the judicial process, disgruntled legal professionals may spark civil disorder and increase the President's political vulnerability.

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**Egypt: Prospects for Prison Reform**

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Egypt's overcrowded prisons have long been a subject of foreign and domestic criticism, and the Mubarak government has undertaken some limited reforms, but further reforms will face resistance from the entrenched police-prison bureaucracy that finds the current system both convenient and personally rewarding.

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*Some articles are preliminary views of a subject or speculative, but the contents normally will be coordinated as appropriate with other offices within CIA. Occasionally an article will represent the views of a single analyst; these items will be designated as noncoordinated views. Comments may be directed to the authors.*

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## Articles

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### India: National Election in Perspective

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The Congress Party's landslide victory in late December reflected voter support for Rajiv Gandhi's leadership and dynastic continuity and the winner-takes-all Indian political system. Opposition disunity has once more permitted the Congress Party to return to power with less than a majority of the popular vote, albeit with a larger plurality than ever before. The party's large majority in the lower house of Parliament will give Gandhi a free hand to pass new legislation, but the unprecedented win masks weaknesses in his political position. Gandhi will still have to rely on faction-ridden state units of his party to implement his policies. In the longer term, the underrepresentation of the opposition in Parliament could encourage political activism outside it.

#### **What the Congress Party Won**

A surge of support for the Congress Party coupled with opposition disunity won the ruling party 49 percent of the popular vote and three-fourths of the seats in the lower house of Parliament. The party increased its share of the popular vote by 6.3 percent over 1980, when it returned to power after a two-year hiatus, and gained 49 seats in the 542-seat Parliament for a total of 401. The government's decision to postpone elections in violence-prone Punjab and Assam states and in several other constituencies meant that only 508 seats were actually contested, but the balance of power in Parliament will be at most marginally affected even when voting does take place in these states.

As in past elections, India's single-member constituency system favored the Congress Party. The winner-takes-all system means that the proportion of seats won by the leading party is always larger than the proportion of votes cast for it. The failure of the

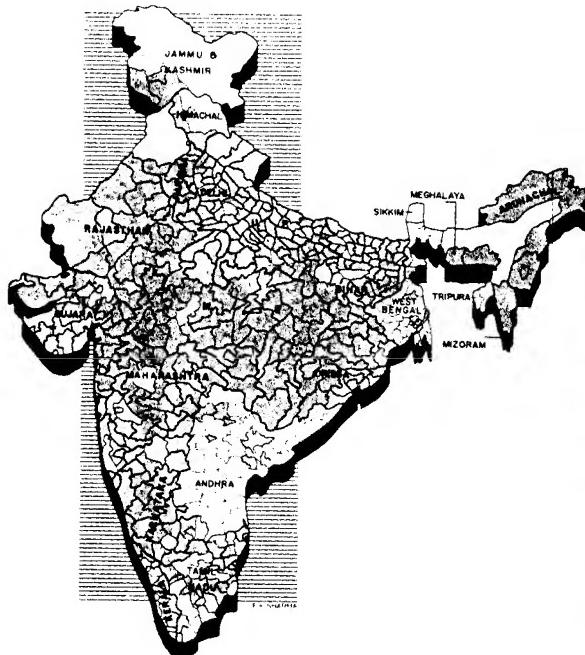
disparate opposition parties to pool their support permitted many Congress Party candidates to win seats with only a plurality of votes, according to Indian press analysis.

The "Rajiv wave" swept almost the entire nation. It was pronounced in the north and west, relied on support from alliance partners in the southern states of Kerala and Tamil Nadu, but was absent in Andhra Pradesh and in Communist-ruled West Bengal. Opinion polls conducted by a prominent magazine before the election showed that urban voters favored the Congress Party more than did rural voters.

#### **Why Rajiv Won Big**

We believe Indira Gandhi's abrupt exit from the Indian political scene allowed the Congress Party to recoup dwindling support. Before her death, most observers questioned the factionalized Congress Party's ability to win more than a bare majority in Parliament in the national election, even against a divided opposition. Popular dissatisfaction with New Delhi's failure to control sectarian and regional strife and to provide effective state government permitted opposition parties to make significant inroads into Congress Party control of the states. Public opinion polls sponsored by a respected Indian institute suggested that the party would lose ground even in traditional strongholds and among longtime allies such as the Muslims and untouchables.

In our view, the assassination restored some of the Congress Party's traditional electoral advantages and conferred new ones on Rajiv. His mother's death deprived the opposition of its sole unifying goal, her



The Congress Party's winning streak

electoral defeat, and ensured yet another Congress Party victory. Embassy reporting indicated that the circumstances of Rajiv's succession aroused popular sympathy and lent new credibility to his claim—and his mother's—that India's beleaguered unity and security could not be entrusted to a splintered opposition. Indian analysts suggest that concern over Sikh unrest in Punjab helped stimulate a high turnout in favor of the Congress Party, particularly in the Hindi-speaking northern states. In the past, a high turnout has favored the opposition.

We believe the timing of the election—less than eight weeks after Rajiv succeeded his mother—was a significant factor in the landslide, with Rajiv's image prevailing over questions about the substance of his leadership. Indian analysts note that voters disregarded Rajiv's political inexperience and projected diverse hopes onto a nearly unknown leader.

We speculate that older voters responded favorably to the dynastic continuity implied by Rajiv's leadership, and younger voters responded to his youthfulness and promises of change. Further analysis of electoral data may reveal that identification with Rajiv sparked an



Congress Party poster implied that Indira Gandhi died for India's salvation

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unusually high turnout among new young voters and accounted in part for the surge of support for his party. Indian commentators note that the newly elected lower house of Parliament is the youngest ever.

#### Unchanging Indian Electorate

We judge that the election results reaffirmed longstanding characteristics of the Indian electorate. According to Indian press analysis, the election confirmed that:

- The image of the national party and leadership remains a more important determinant of voting behavior in a parliamentary election than the performance of Congress Party-led state governments or the political track records of individual candidates. In December the "Rajiv wave" carried even unknown and unpopular Congress Party candidates.

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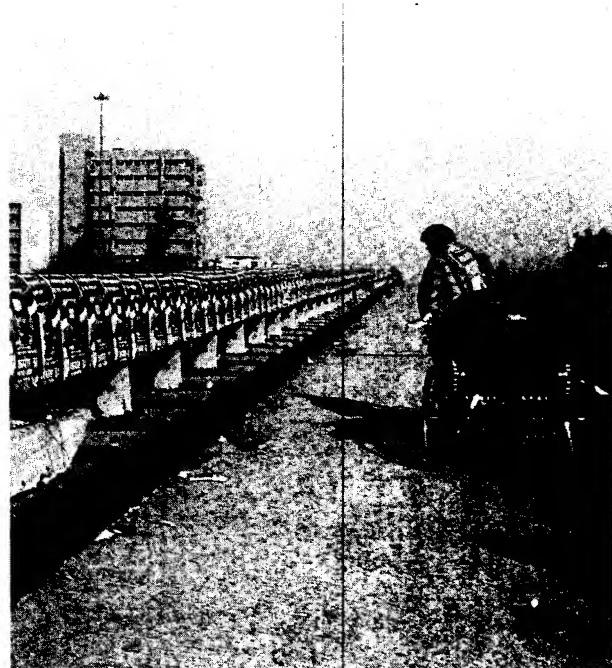
- A plurality of voters will support the Congress Party as the most viable national option in the absence of strong popular disapproval of specific policies. This year general satisfaction with the economy probably offset dissatisfaction with the Congress Party's management of law-and-order issues and state administration.
- Many Muslim and untouchable voters still support the Congress Party by default, despite their publicly voiced dissatisfaction with the government's failure to protect their interests adequately. This conclusion remains tentative because early estimates of voting among untouchables and religious minorities are based on "ecological analysis"—in which a voting trend in a district where either group comprises a majority is ascribed to that group.

The familiar voting patterns in this election defied predictions by Indian as well as US scholars that the Congress Party would rely more heavily than ever on support from conservative Hindus, to whose interests the party would then be beholden. In our judgment, the breadth of popular support for Rajiv, including Muslims and untouchables as well as higher caste Hindus, suggests that he—like his mother in 1980—will be free of obligation to any single religious, regional, or ethnic group for his victory.

#### **Domestic Political Implications and Prospects**

The national election results are likely to spill over into next month's state elections. Historically, state elections immediately following national contests have tended to duplicate their results, regardless of local issues. We expect the demoralization of opposition leaders over their decimation in the December election and their tendency toward mutual recriminations will prevent them from uniting effectively against Congress candidates in the contests for 10 state legislatures.

The strain of defeat could precipitate splits and leadership changes in some opposition parties. The Dalit Mazdoor Kisan Party, formed in September from several small parties, in our view, will be particularly susceptible to fragmentation. The leaders of the Janata and Bharatiya Janata Parties—who lost their parliamentary seats to Congress Party candidates—are likely to face challenges by



Preelection poster campaign for Rajiv Gandhi.

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dissatisfied younger partymen. In contrast, the victorious Telugu Desam party, whose leader, N. T. Rama Rao, holds a seat in the Andhra Pradesh state legislature but not in Parliament, has emerged as the largest opposition party in Parliament. Rao has responded to his new national role by forming a sister party designed to address national rather than regional issues, according to press reports.

The absence of an effective opposition in Parliament could encourage some opposition politicians to join the Congress Party and lobby for favorite causes from within. In the months preceding Indira Gandhi's death, Indian observers noted that several erstwhile Congress politicians returned to the fold, certainly with her blessing. Rajiv probably will continue to welcome if not encourage such returnees until Parliament legislates an end to the venerable Indian practice of party switching, in keeping with his

campaign promise. A large flow of opposition politicians into the Congress Party might restore the ideological diversity that characterized the party until the late 1960s.

In our view, Rajiv's victory on the strength of his own image rather than the Congress Party machine will give him a relatively free hand to choose his associates in the national Congress Party organization. Still, at least in the near term, he will have to rely on established partymen to govern Congress Party-led states and implement his programs. Longtime rivalries among state-level politicians will almost certainly continue to weaken government performance.

In our judgment, the imbalance between the opposition's parliamentary presence—the smallest since independence—and its 51-percent share of the popular vote could portend unrest in the coming years. Opposition politicians as well as religious, ethnic, and regional leaders in search of a following will be tempted to mobilize impatient citizens who believe their concerns are not represented in Parliament. The result could be an upsurge of protests and demonstrations such as those that characterized the mid-1970s.



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## India: A New Generation Takes Charge

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Thirty-eight years of rule in New Delhi by those who came of political age during India's independence struggle in the 1930s and 1940s ended with Indira Gandhi's assassination and Rajiv Gandhi's victory in the parliamentary election last December. Tales of British rule, Hindu-Muslim violence at partition, and famines—life-shaping realities for those of Indira Gandhi's generation—are simply stories to those born since 1947.

India's new leaders have been schooled in scientific and technical subjects and trained in India's private business houses or state enterprises before being drawn to public service. We expect this new leadership to have the backing of the postindependence generation of Indians—nurtured on India's Green Revolution, mass communications, and military victories—in its attempts to accelerate the pace of economic and social change.

### Age and the Election

Rajiv Gandhi explained his election victory to the press by saying, "There is a new generation taking over, not just in the government but in the country. Sixty percent of the electorate is below 40, and the mood of this electorate is reflected in the vote."

The opposition also attributed the Congress Party landslide to demographic shifts, with Rajiv representing the forces of change and a break with the past, according to US Embassy officials. An opposition spokesman told the Embassy that the opposition parties were placed at a great disadvantage because they did not appeal to the younger generation's yearning for change.

### Young Faces in the Inner Circle

Gandhi has named several friends from the younger generation to be his Cabinet officers, personal advisers, and new standard bearers in the Congress Party. These men share a personal history that probably makes Rajiv particularly at ease with their

style and advice. They belong to India's elite families—some even to the Nehru dynasty—and are comfortable with their place in both Indian and Western society. As young men many were classmates at the exclusive Doon School outside New Delhi—traditionally a training ground for Indian politicians and officials. Later, several acquired technically oriented educations at home and in the West. Most of Rajiv's handpicked confidants launched their careers in private business and profited personally from India's industrial growth before entering politics.

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Arun Nehru and Arun Singh have been closely associated with Prime Minister Gandhi's early forays into Indian political life and with his recent election campaign.

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*Arun Nehru*, age 40, is Rajiv's third cousin and his new Minister of State for Power. He is Secretary of the Sanjay Gandhi Memorial Trust.

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He served as one of seven general secretaries of the Congress Party—filling a position vacated by Rajiv—from November 1984 until shortly after the election.

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In 1980 Nehru left a successful career as an executive at Jenson and Nicholson, a Calcutta-based multinational paint manufacturer, to enter politics. The Indian press described Nehru as the chief

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Arun Nehru  Camera Press ©



Arun Singh  India Today ©

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architect of an aggressive and productive marketing strategy at Jenson and Nicholson in the late 1970s. At Indira Gandhi's bidding, he ran for and won the traditional Nehru family seat in Parliament in Uttar Pradesh, a seat Indira had held in the 1970s.

Rajiv's appointment of Nehru to the post of Minister of State for Power—a lesser Cabinet portfolio—probably reflects his ambivalence toward his ambitious cousin. Gandhi probably is concerned by Nehru's haughty style and  his deserved reputation for corruption.

Nehru made a fortune on arms deals from his close association with retired military officers. Gandhi's dispatch of Nehru to Punjab to investigate the attempted assassination of the leading Sikh clergyman in mid-January suggests, however, that he may continue to use Nehru for sensitive assignments

*Arun Singh*, also about 40, is one of Rajiv's three parliamentary secretaries. He may be a leading candidate to fill the position of principal secretary, the post vacated by longtime Gandhi family loyalist, P. C. Alexander, following the arrest of several of his staff on espionage charges. The Indian press has said that Rajiv has put Singh in charge of the cleanup operation following the spy scandal

in India and abroad. The Indian press describes Singh as Gandhi's second-closest adviser.

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Singh is credited in the Indian press with successfully selling Rajiv and the Congress Party to the voters with the same earnestness he exhibited as a senior marketing manager at the multinational chemical manufacturing firm of Reckitt and Colman before entering politics. Singh is a member of India's upper house of parliament, the Rajya Sabha.

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*Vincent George* is typical of the younger technocrats Gandhi is bringing into his secretariat to modernize and increase office efficiency. He is a south Indian Christian in his thirties who coordinates Gandhi's appointments and provides Gandhi with information on the personalities and voting patterns in parliamentary constituencies. George became Rajiv Gandhi's personal aide and resident computer whiz in 1981 after working as a stenographer for Indira Gandhi

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**Younger Legislators To Alter Congress Party's Image**  
Indira Gandhi groomed her sons to assume the prime-ministership in part by charging them with recruiting youth to the Congress Party. Sanjay first revitalized the Congress Party Youth organization to involve young activists in party work. Rajiv was given responsibility for Congress Party recruiting and organizational activities in 1983. He served as chairman of the Congress Party Youth until he became Prime Minister.

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Arun Singh is the "cleanest" of the Prime Minister's close friends, having acquired his personal wealth from investments

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Amitabh  
Bachchan

India Today ©

Madhavrao  
Scindia

Wide World ©

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In what appears to be a party image-building coup, Rajiv and his close advisers convinced two prominent younger Indians, Amitabh Bachchan and Madhavrao Scindia, to run under the Congress Party banner.

Both men soundly defeated senior opposition politicians in the recent parliamentary election on the promise of a youthful, clean style of politics. Amitabh Bachchan is India's leading film idol and a childhood friend of the Prime Minister. Scindia is the son of a former maharaja with a successful career in Indian business.  

*Amitabh Bachchan's* campaign was given great prominence by the national media and was of great advantage to the Congress Party. According to the Indian press, Bachchan appealed to women of all ages and younger voters. Bachchan is a Doon School classmate of Rajiv whose parents knew the Gandhi family. Rajiv Gandhi cut short his trip accompanying his mother to the United States in 1982 to visit Bachchan, who faced death following an accident. The attention Bachchan received while in the hospital apparently helped spark his interest in politics. He spent much of his time after the accident in New Delhi's political circles  

Gandhi is likely to ask Bachchan to help revitalize the Congress Party. Bachchan's media appeal probably will attract new young members to the party. According to the Indian press, Bachchan's election battle and victory will be retold in popular comic book format for the next generation of voters  

The youthful *Madhavrao Scindia* defeated A. B. Vajpayee, national leader of the opposition Bharatiya Janata Party, in an electoral contest that included family feuding and high-technology campaigning. Scindia traveled in his private helicopter between remote villages where he used his family's 300-year-old ties to the area to win voter support. In the towns he reminded his listeners that only he and the Congress Party could deliver economic progress, according to Indian observers. The Indian press detailed the family split between Scindia and his mother, who supported Vajpayee.  

Scindia, who has spoken on foreign policy issues for the Congress Party, lacks the aristocratic title but not the wealth of the preindependence Indian maharajas. He completed secondary school in England, graduated from Oxford University, and was first elected to the lower house of parliament, the Lok Sabha in 1971  

#### Change and Continuity

Gandhi's own background and personal inclination—reinforced by those of his closest advisers—are likely to lead to significant attempts to change New Delhi's image and tone. We expect these men with their Western educations and business experience to follow up on their pledge to cut government redtape and bring greater efficiency to the Indian economy. We also expect this generation of leaders may be somewhat more willing than their parents to risk improved relations with Pakistan  

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Gandhi feels comfortable with the risk-taking, future-oriented style and advice of his younger confidants, but we believe he will slow the momentum for change with decisions that reinforce continuity with the past. To date, for example, Gandhi has reappointed all but a few of his mother's personal advisers, kept the Congress Party hierarchy intact up to the election, and named more seasoned politicians than neophytes to his postelection Cabinet. He must enlist the political good will of those in his mother's generation who occupy key positions in government, industry, and agriculture if he is to alter either the tone or substance of New Delhi's foreign and economic policies.



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## India: Rajiv Gandhi's Economic Policies—Early Signposts

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Economic policy under Prime Minister Rajiv Gandhi will emphasize improvement in industrial productivity through assimilation of modern technology and decentralization of decisionmaking in the public sector. The new Prime Minister has already begun pushing the bureaucracy to simplify controls on private-sector production and to stimulate exports. So far, however, Gandhi has not commented on the domestic and international financial problems that we believe may limit his policy options.

### **Increased Attention to Economic Policy**

Rajiv's interest in economic policy, in our judgment, is second only to his interest in national unity such as in the problems in Punjab and Assam. A comprehensive policy address, broadcast shortly after the Congress Party victory in the December national election, not only featured economic topics but also implied that specific proposals for change would be announced in the near future. Rajiv has retained direct responsibility for the Ministries of Industry and Commerce. During meetings with senior officials, he has emphasized the themes of more efficiency and less bureaucratic interference. Even before the assassination of his mother, Prime Minister Indira Gandhi, according to press reports, Rajiv's personal interest spurred revisions in New Delhi's policy for the electronics and telecommunications industries.

### **Productivity and Technology**

Technology will clearly be a major component of Rajiv's drive for improved industrial productivity:

- His major policy speech of 5 January noted that improvements in productivity, absorption of modern technology, and fuller use of capacity must acquire the status of a national campaign.
- In recent press interviews he has noted that India must improve its ability to transform competence in basic research into production.
- Earlier he emphasized that India must not be left behind in the continuing scientific revolution in electronics.

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### **Forthcoming Policy Decisions**

*Gandhi directed in early January that concrete steps to improve exports be taken within the next few weeks.*

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*Policies and programs for the Seventh Five-Year Plan, which begins in April and is already overdue, will be reviewed during the "weeks ahead."*

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*Proposals for reform of the public sector are already under consideration.*

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*Two ministries have been asked to prepare specific proposals to improve productivity, absorb technology, and use capacity more fully.*

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*The central government budget is usually presented at the end of February. This could provide information about tariff protection for domestic industries and subsidies for the public sector.*

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*The annual trade policy, usually presented in April, would reflect any changes in import licensing controls and in export promotion efforts not already evident in the government budget.*

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The Congress Party platform also stressed these themes, and Rajiv has asked the bureaucracy for specific proposals

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The longstanding Indian goal of self-reliance will still present some obstacles to the acquisition of imported high technology. Recent press reports indicate continuing efforts to protect and stimulate fledgling domestic industries, even computers and oil

exploration. Rajiv's focus will be on absorbing—not simply acquiring—technology. [redacted]

So far, Rajiv seems to have a relatively narrow view of what must be done to improve productivity. Although in his public statements and initial meetings with officials he has gone beyond technology to emphasize improved management in the public sector and, in the longer run, revisions in education, he has stopped short of addressing the critical problems of prices, financial resources, labor relations, and infrastructure. Some of Rajiv's advisers—for instance, Manmohan Singh, who recently moved from the Reserve Bank to head the Planning Commission—have a comprehensive view that may eventually be reflected in the new government's policies. Rajiv's approach, in any case, is more sophisticated than his mother's. She seemed to believe technological gains were possible without major institutional change. [redacted]

#### Public Versus Private Sector

In Rajiv's speech on 5 January, he reaffirmed that the public sector will continue to be a major tool of economic development. The Congress Party election manifesto notes that it remains the main instrument for stepping up industrialization. [redacted]

At the same time, Rajiv has said that the public sector is active where it should not be and noted that it cannot indefinitely support sick industries. Press reports note that an official review of the public sector—commissioned before the assassination and probably now being studied by Rajiv or his advisers—considered the closing of nonviable units. We have seen, however, no hints of plans to denationalize any heavy industry. [redacted]

In a campaign speech in a major textile center, Rajiv promised a radically new textile policy. We speculate that this may involve closing or denationalizing some unprofitable publicly owned textile factories. Barring a major textile order from abroad—the Soviet Union is the only likely candidate—the private sector may not want the factories. [redacted]

Rajiv has stressed the need to improve management in the public sector and may be planning to free public-sector corporations to operate as commercial entities

on 5 January called for far-reaching administrative reform, including decentralization of decisionmaking with enforcement of accountability, and Rajiv has repeated this theme when discussing industrial policy with senior officials. [redacted]

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In our view, Rajiv's comments on the need to decentralize decisionmaking apply solely to the central government bureaucracy and public-sector corporations. He has not indicated any intention to transfer economic authority from the central government to the states, and the Congress Party platform contends that there is no contradiction between a strong center and strong states. If Rajiv moves to change center-state economic relations, it will probably be a result of efforts to ease tensions in Punjab and Assam, not a result of his economic policy views. [redacted]

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Rajiv may reinstate the Planning Commission as a major policy advisory group but nevertheless seek a less ambitious five-year plan. He recently appointed two leading government advocates of economic liberalization to the Planning Commission—Abid Hussain, whose term as secretary at the Commerce Ministry has just expired, and Manmohan Singh. Although Rajiv has reaffirmed the government's commitment to planning, he may follow Manmohan Singh's advice to drop efforts to develop detailed economic targets and instead concentrate planning efforts on vital sectors and nontradeable goods such as power, transport, and irrigation. [redacted]

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As for the private sector, last November Rajiv said that it has adequate scope to enhance its production. During an interview in January with a US magazine, he noted with apparent approval that new areas had been opened to private investment—probably a reference to the new telecommunications policy—but did not hint at further moves. [redacted]

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#### Industrial Controls

We expect Rajiv to loosen government restrictions on private industry, mainly to spur output, but also, as he said in an interview in January, to reduce opportunities for corruption. One of his first moves

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was to shift the government department that supervises private corporations to the Ministry of Industries, whose bureaucratic bias favors production rather than restraint. He has told officials to simplify industrial control procedures by licensing a range of products rather than specific items and allowing certain industries to expand without prior government permission. Rajiv also wants to ease restrictions on the use of foreign technicians and brand names. Some of these proposals have been under consideration since before Rajiv became Prime Minister [redacted]

Rajiv apparently intends to retain the industrial licensing system, perhaps in modified form. It will be used to implement new pollution controls that were imposed on 18 industries after the Bhopal disaster. In addition, press reports indicate that Rajiv still intends to favor small-scale industries and backward areas. In the past this had been done through licensing controls as well as credit policies and subsidies. [redacted]

Rajiv may rely more on tariffs and less on licenses to regulate imports. Although he has not commented on import licensing controls recently, the new computer policy, which is still not fully formulated, seems to be a step in this direction. [redacted]

#### **Export Promotion**

Rajiv has called for concrete steps to promote exports. He is probably considering a recently completed official review of foreign trade policy, which, according to the US Embassy, recommends further tax concessions and import privileges for exporters. Rajiv wants to move within the next few weeks. [redacted]

Rajiv apparently sees export promotion as part of his program to improve economic efficiency rather than part of a strategy to ease balance-of-payments problems. He has said nothing so far about growing Indian debt service obligations or falling receipts of concessional foreign aid. [redacted]

#### **Agriculture**

Central government support for agriculture through research programs, procurement policies, and financial help to state governments will probably continue. Agriculture was a key theme of the Congress Party manifesto, and Rajiv's enthusiasm for industrial efficiency may carry over to agriculture and

lead to additional efforts to promote agricultural exports and improve irrigation. Rajiv's lack of comment on agricultural policy, however, suggests that he is not contemplating major policy changes beyond those already under way and summarized in the guidelines for the Seventh Five-Year Plan. [redacted]

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Rajiv is interested in ecology. The published text of his January speech called for two new government organizations to deal with the problems of deforestation and of Ganges river pollution. These topics are not yet a major focus of government policy but may become more important in the future. [redacted]

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#### **Constraints on Policy Options**

Congress Party dominance of Parliament does not give Rajiv a free hand in modernizing the economy. Shortages of government revenue and forthcoming balance-of-payments strains, even if not in the forefront of his thinking, limit his ability to promote productivity through tax concessions and increased imports. He must still consider the views of businessmen, many of whom benefit from economic controls. Rajiv must also be cautious about trying to reduce public-sector losses through an increase in administered prices or closing unprofitable units that employ many people lest he add to the social unrest already caused by communal tensions. Furthermore, bureaucrats have traditionally resisted efforts to reduce their authority. [redacted]

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#### **Private Businessmen Enthusiastic**

Indian industrialists and traders are enthusiastic about the new government's pragmatism and sense of urgency, according to press and Embassy reports. Some highlight Rajiv's drive to make the bureaucracy more efficient. Others look for a relaxation of import and licensing procedures and restrictions on foreign and large domestic corporations. In the absence of specific government proposals, many businessmen apparently believe Rajiv will make whatever policy changes they would recommend. The general air of optimism is tempered, however, by concern that Rajiv may attempt too much too soon and that bureaucratic resistance and political expediency will curtail Gandhi's drive for efficiency. [redacted]

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**Implications for the United States**

Rajiv's fascination with high technology will probably sustain the recent trend toward increased cooperation between Indian and foreign business firms and may open new opportunities for business links with US firms. If Indian access to desired technology is frustrated by US export controls, however, the push for technology will add to strains in bilateral relations. Moreover, the emphasis on improving the technical competence of Indian firms—on absorbing, not just importing, technology—probably means that some restrictions on imports of sophisticated equipment will continue

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So far, Rajiv has not complained about US policies toward Indian borrowing from the Asian Development Bank and other multilateral lending institutions. He, however, has retained in different positions key officials who in the past have complained about the politicization of foreign aid. When advising Rajiv, they will probably emphasize the relationship of reduced foreign lending to forthcoming balance-of-payments strains.

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## India: The Threat of Hindu Revivalism

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We believe that Hindu revivalism will increasingly inflame communal tensions and undermine the official secularism that has helped maintain the unity of Indian society. The revival has been sparked by fear that changing conditions—principally the erosion of the caste system, the expanding Muslim population, and Sikh militancy—will cost Hindus their preeminent position in India and on the subcontinent. Mainstream Indian politicians searching for electoral gains have played on Hindu fears. Because of its rigid ideology, however, revivalism is unlikely to gain acceptance among most Hindus.

### Origins of the Revival

Hindu revivalists have a xenophobic world view, according to Indian scholars. They interpret the country's past as a battle between natives (Hindus) and foreigners (Muslims, Sikhs, and Christians) and see the present as an opportunity to settle the wrongs of history by reasserting Hindu dominance. They resent the subjugation of Hindus by the Mughal and British empires and the use of English as the language of business, government, and education. Hindu beliefs have also contributed to the xenophobia because the religion is linked to the holy rivers and mountains of India. Indian scholars believe that the religion's connection with the land has led to a desire for undisputed control of the land and Hindu resentment over sharing holy ground with nonbelievers.

Although Hindus account for about 85 percent of India's population, the revivalists frequently exhibit behavior typical of a minority group. Much contemporary Hindu aggressiveness, according to Indian social scientists, should be ascribed to a fear psychosis or persecution complex. Hindu revivalists fear that:

- Government education and job programs for low castes and Harijans (untouchables) discriminate against Hindus and will contribute to the erosion of the traditional Hindu caste system.

- The rapidly expanding Muslim population soon will threaten Hindu dominance. Indeed, Hindus see India as a Hindu island in an Islamic sea. (The Muslim population is growing slightly faster than the Hindu, but growth rates are approaching parity, according to Indian data.)
- Christians and Communists—both foreign and domestic—are conspiring with Muslims to disrupt Hindu society by recruiting untouchables as a first step in dragging India into a Christian-Islamic-Communist orbit.
- An Arab-funded conspiracy to restore Muslim rule to India is reflected in efforts to convert Harijans to Islam.
- The Sikh militants' goal of an independent homeland—Khalistan—will weaken Hindu India.
- Pakistan's US-supported military buildup will lead to a shift of power in favor of Muslims over Hindus in the subcontinent.

### Revivalist Goals

Hindu revivalist groups (see box) advocate ideas designed to calm fears and boost self-esteem. To overcome Hinduism's lack of dogma and a revealed document such as the Koran or Bible, for example, the Hindu Vishwa Parishad has tried to give Hinduism for the first time an immutable doctrine, including belief in *karma*, the transmigration of souls, and reverence to the cow. The revivalists demand that India become a confessional state—renamed Bharat—committed to the defense of the Hindu religion.

Hindu revivalist groups have many simplistic answers to complex social issues:

- Troubles in Assam would be solved by expelling the Muslims who have lived there for hundreds of years.

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***Principal Hindu Revivalist Organizations***

**Rashtriya Swayam Sevak Sangh (RSS).** An extremist group that espouses Aryan racial superiority and traces its past to the conquerors of ancient India. They claim a membership of about a million. They believe that Hindu culture is in danger of being destroyed through the proselytizing efforts of Christians and Muslims. They argue that the Sikhs, Christians, and Muslims are "foreign nationals" who should not be allowed to vote. They fear that Hindus will become a minority in India and oppose special privileges granted by the Congress Party to minorities. The government banned the RSS from 1975 to 1977 [redacted]

**Vishwa Hindu Parishad.** An India-based international organization loosely connected to the RSS that claims members in 50 nations, including the United States. It advocates that India be declared a Hindu state and be renamed "Bharat" to reflect its ancient Hindu civilization. Its members believe that Hindus have suffered economically and politically because of the Muslims' alleged "religious fanaticism" and loyalty to Pakistan. [redacted]

**Shiv Sena.** A militant anti-Muslim group formed by its leader Bal Thackery in 1966. Several hundred Shiv Sena members were arrested in the aftermath of communal riots near the Bombay airport in mid-1984. The party was charged with fomenting a 10-day riot in Bombay in 1969. In an interview in the Indian press last year, Thackery said that he would give Muslims 48 hours to prove their loyalty before banishing them to Pakistan. [redacted]

**Bharatiya Janata Party (BJP)** was formed in 1980 as a breakaway faction of the Janata Party. Although not as extreme as other revivalist groups, the BJP still supports some of the ideals of the militant Hindu revivalists. Recently, the BJP has been trying to break its link to the RSS and appeal to non-Hindus. [redacted]

- Sikhs should be assimilated, creating a bond between Hindus and Sikhs on the basis of common hostility toward Muslims.
- All Indian Muslims should be absorbed into existing Hindu castes.

**Revivalism and Politics**

We believe that the Hindu revival has benefited from the reluctance of most political leaders to openly oppose the movement for fear of losing popular support, especially among conservative Hindus. Prime Minister Indira Gandhi frequently used a favorite revivalist theme when she told Indians that their nation was "encircled by distant foreign powers colluding with antinational elements to dismember it." In an interview with a US journalist, the leader of the Bharatiya Janata Party (BJP) charged that before her death Gandhi had been trying to appeal to orthodox Hindu voters by floating the rumor that she had held secret meetings with Rashtriya Swayam Sevak Sangh (RSS) leaders. At the same time, Indira also raised Hindu apprehensions by trying to build greater political popularity with Muslim voters. Political opponents argue that the landslide election of her son Rajiv Gandhi benefited greatly from the switch of Hindu revivalist votes from the Hindu chauvinist parties.

We believe that the Congress Party—the standard bearer of Indian secularism—does not perceive the Hindu revival as a threat to India's officially secular character. In our view, however, tacit government support of Hinduism has led to an increasing Hindu content—in education and in religious rituals at government functions—of the Indian state.

**Prospects**

We believe that Rajiv Gandhi will continue to exploit Hindu revivalism, although in a lower key than his mother. Even a policy of benign neglect could encourage Hindu chauvinists, risk widening the schism with non-Hindu India, and create a challenge to the authority of the Congress Party.

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We believe, however, that Hindu revivalism's long-term appeal is limited by its rigid ideology. Its dogmatic definition of Hinduism, which embraces an inflexible creed and the traditional caste system, is unlikely to become acceptable to the wide spectrum of Hindu faithful.



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**Israel's Unity Government:  
How Long Will It Survive?**

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When Labor and Likud agreed to serve in the national unity government last September, most Israeli political observers predicted its demise within a year and doubted that Prime Minister Peres could demonstrate strong leadership or improve Labor's chances to form its own government. Recent developments, however, indicate that Labor and its allies could form a coalition government without Likud. These developments include the dramatic rise in Peres's standing in the polls, broad Cabinet endorsement for Labor's plan to withdraw Israeli forces from Lebanon, and Labor's defeat of a Likud-supported proposal on the controversial "Who is a Jew" issue. We believe the odds are better than even that Labor will orchestrate a coalition crisis in the latter half of this year to dissolve the unity government and form its own coalition if Israel has completed its withdrawal from Lebanon without serious problems.

**Likud: Down and Out?**

Likud's political standing has declined significantly during the unity government's first four months. The most recent polls indicate that Likud would win only 29 Knesset seats in a new election, down from the 41 it currently holds.

Most of the blame for Likud's inability to retain its electoral support has been placed on Foreign Minister Shamir. Shamir failed to maintain Likud unity in two recent Cabinet and parliamentary votes on the Lebanese withdrawal plan and the "Who is a Jew" issue. He is also perceived as having little influence in Israeli foreign policy—despite his Foreign Ministry portfolio—or in protecting the economic interests of his Likud bloc's bedrock constituency of Sephardi voters.

In a recent interview published in an Israeli newspaper, Shamir was grilled about his apparent lack of power in the unity government. The reporter



*Shamir and Peres during coalition negotiations last summer. Now only Peres is smiling.*

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pointed out that, while in recent weeks Peres had met with French President Mitterrand and Defense Minister Rabin had held discussions in London, Shamir had been touring Panama and Venezuela. Shamir's responses—that he did not "have to be a party to everything that is done" and that he did not "suffer from a lack of things to do"—must not have been comforting to his disappointed Likud supporters.

The pressure on Shamir's leadership will increase now that Commerce Minister Ariel Sharon has returned to Israel, armed with his self-proclaimed vindication in his recent libel trial in New York. In addition, Deputy Prime Minister David Levi, Shamir's other major rival in Likud, is planning to challenge Labor member Israel Kessar's leadership of the Histadrut labor federation in elections scheduled for this spring. A strong showing by Levi among Sephardi and other working-class Jews, even if he does not win, probably will boost his standing in the Shamir succession race.

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### **Labor on a Roll**

After years of being vilified for his clumsy and uninspired leadership of the Labor Alignment, Prime Minister Peres now is hailed as the man primarily responsible for Labor's resurgence. Not the least of Peres's achievements has been his establishment of a good working relationship with Defense Minister Rabin. The two men's dominance of the unity government was underscored by their success in commanding broad Cabinet support for the Lebanese withdrawal plan over the opposition of Shamir and other Likud ministers.

The fact that Cabinet members representing the religious parties supported withdrawal must have been reassuring for Peres, who needs their votes to form a coalition government without Likud. Although Labor's solid vote against the "Who is a Jew" bill last month disappointed religious party leaders, the religious parties were most critical of Shamir, who failed to maintain Likud unity during the vote. Some of the religious parties, in our view, may begin to reconsider their alliance with a divided Likud Party that cannot deliver on its promises.

Labor's successes have led to a significant increase in its popularity. According to a poll released last month, Labor, its coalition ally Shinui, and the Citizens' Rights Movement would together win 62 Knesset seats in a new election. Peres's approval rating now stands at 77 percent, and 42 percent of the electorate pick him as their first choice to be prime minister, compared to only 9 percent who choose Shamir.

### **Engineering a Government Crisis**

We believe that Peres and other Labor strategists realize that they would risk losing much of this new support if Peres held to the coalition agreement and turned over the prime-ministership to Shamir in 1986. Israeli voters, like electorates in most countries, tend to favor the incumbent. In addition, given a chance to govern, Shamir probably could restore some degree of unity in Likud, and he could better court the religious parties. Finally, Israel's economic picture conceivably could improve during the last two years of the unity government, and a situation could develop where Labor was remembered only for having imposed economic austerity, while Likud received credit for economic growth.

We believe that Labor leaders will seek a way to dissolve the unity government if Israel's withdrawal from Lebanon is accomplished without serious problems. Defense Minister Rabin has stated publicly that withdrawal could be completed as early as July. Labor's voter popularity probably would peak after a successful withdrawal. Labor would want to move before potentially damaging consequences of the withdrawal, such as an increase in terrorist incidents and rocket attacks in the Galilee, gave Likud leaders new ammunition for partisan attacks.

There are other reasons why Labor may view the second half of this year as a propitious moment to dissolve the government:

- Israel by then may have negotiated a large increase in financial aid from the United States, and Labor could claim credit for the aid package.
- Likud would probably still be suffering from its leadership dispute.
- Labor supporters by then probably will have retained control of Histadrut, which Labor leaders have always dominated.

The most difficult element in such a Labor strategy will be finding a suitable issue around which to engineer a government crisis. Most Labor members probably hope that the disunity within Likud and an overt attempt to remove Shamir from his leadership position will lead to a dissolution of the coalition agreement. According to press reports, a secret understanding between Labor and Likud stipulates that only Shamir can succeed Peres as prime minister.

Although all the signs are pointing up for Labor now, the Israeli political system is notorious for its volatility. For example, if the Israeli withdrawal plan does not proceed on schedule and if security in the north deteriorates significantly, Peres's and Rabin's strong identification with the withdrawal plan could backfire on them politically. Likud could then attack Labor for endangering Israel's security, an issue that could regain Likud much of its lost support. Labor mismanagement of economic reform would also undermine its current popularity.

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## Israel's Lavi: Today's Fighter Tomorrow

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Israel's program to build a multirole strike fighter comparable to the F-16 by 1990 may be economically unfeasible. Research and development costs for the Lavi fighter-attack aircraft are already over budget and climbing, and test flights for the first prototype have slipped by six months. Most US aerospace industry analysts agree the aircraft will eventually cost more than the F-16, be less capable, and thus probably unable to compete in the world aircraft market of the 1990s. Because of domestic funding constraints and high costs, Israel probably will want to use US Foreign Military Sales (FMS) money to procure the plane for its air force.

### Background

The Lavi is intended as a follow-on to the Kfir and A-4 Skyhawk fighter-attack aircraft. Israeli air force (IAF) modernization plans call for replacement beginning in 1990 of older Kfir, A-4 Skyhawk, and some F-4E Phantoms currently in the active inventory. Israel Aircraft Industries (IAI) hopes to fill most of this requirement with the Lavi, which is programmed for a production run of 300 aircraft. If IAI can secure foreign orders, it will attempt to increase production to 350 to 400 aircraft.

The Israeli air force originally wanted to coproduce in Israel or purchase directly F-16s or F/A-18s as replacements for older aircraft. When the Israeli Government could not interest the US aerospace industry in coproduction agreements, it decided in early 1980 to proceed with plans to manufacture by 1990 an aircraft theoretically as versatile and capable as the F-16.

Economics played the major role in the government's decision to proceed with the Lavi. Efforts to market the Kfir outside of Israel had failed dismally, and production was scheduled to begin winding down in 1982. IAI had over 12,000 employees working on the Kfir and other production lines, and a major layoff

would entail paying one- to five-years' severance pay and losing a large percentage of the engineering, design, and managerial force made up primarily of expatriates from the United States and Western Europe. IAI falsely contended that it could manufacture the Lavi entirely in Israel without outside support. This led the government to believe the Lavi would be cost effective and that outside sales would not be subject to the same licensing restrictions that prevented Israel from selling the Kfir to prospective customers.

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Israel's never-ending quest for military self-sufficiency and desire to avoid reliance on a single source for major weapons also were important factors in this decision. Israel has purchased all of its major weapons or their subsystems and support equipment from the United States or Western Europe, but military self-sufficiency remains an important goal that drives to a considerable extent Israeli decisionmaking on defense.

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After several false starts, the Lavi project began in earnest in 1981. When Moshe Arens became Minister of Defense in February 1983, the program found a champion. Arens had been the driving force behind the Lavi at IAI, and, as Defense Minister, he assigned it a top funding priority. Arens personally negotiated the release of sensitive US aircraft manufacturing technology to IAI and secured congressional approval to use \$250 million in FMS funds for research and development in Israel on the Lavi. He also obtained permission to spend an additional \$300 million in FMS monies in the United States for research and development rather than for finished products. With Arens's assistance, IAI reached agreement with Grumman to act as principal subcontractor for the wing and tail composite assemblies—something it had been unable to do previously—and with Pratt and Whitney to manufacture the engines in Israel.

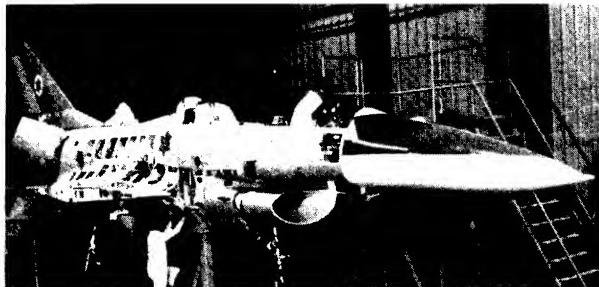
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Israel Aircraft Industry technicians working on initial Lavi prototype.

Despite rapid progress in the last two years in developing a prototype, the Lavi still faces formidable economic and engineering problems. Minister of Defense Rabin has said the program could be canceled if additional US funding is not forthcoming or further cuts are required in the defense budget. The Israeli air force—never an enthusiastic supporter of the Lavi—is using the opportunity to lobby for purchase of advanced US multirole strike aircraft with the funds allocated for the Lavi. Arens, who is still a potent force in the Cabinet, however, continues to support the Lavi and thus far has kept funding for the program on track.

#### Rising Costs

One of the Lavi's major problems is rapidly rising costs. IAI sold the Lavi to the Israeli Government and air force as a multirole strike fighter incorporating state-of-the-art technology at one-third the flyaway cost of an F-16. In early 1980, IAI estimated its research and development costs at \$700 million with an additional \$350 million to be invested in the Bet Shemesh engine facility near Jerusalem to manufacture the engine for the Lavi. Flyaway costs at that time were projected at \$5.6-7 million per aircraft as compared with \$5 million for the Kfir and approximately \$15 million for the F-16, \$19-20 million for the F/A-18, and \$21-22 million for the F-15.

By mid-1984, IAI was quoting total research and development costs for the program at \$1.52 billion, of which \$600 million had already been spent.

IAI currently is spending \$700,000 to \$800,000 per day on the Lavi

and still has not completed design specifications. We believe flyaway costs will be at least \$20 million per aircraft

[redacted]

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[redacted] IAI's budget process is primarily to blame for the underestimates of research and development and flyaway costs. IAI used current value dollar rates instead of projected dollar rates in estimating costs for the duration of the project. No cost overrun projections were used, nor was there a cost-time formula employed as is common in the US aerospace industry.

[redacted]

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[redacted] careful adherence to cost projections has never been a priority until now when the Israeli defense budget for the first time is a target for large cuts.

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#### Poor Management and Expertise

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[redacted] IAI's shortage of trained software engineers as [redacted]  
[redacted] The program director recently admitted to [redacted]

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' Cost-time formulas employ three curves. One curve uses a pessimistic budget figure, assuming extensive reengineering and other delays are encountered. A second curve reflects a more optimistic ahead-of-schedule cost. The third curve reflects probable real-term development costs given reasonable delays and problems. Budget managers use these curves to figure a realistic range of costs and identify potential problem areas that warrant special attention.

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[redacted] Pratt and Whitney

[redacted] will have to manufacture engines in the United States for at least the first 50 aircraft if the overall production schedule is to be met. Bet Shemesh has a history of poor management, and its ability to manufacture the fairly complex PW 1120 engine is questionable. Last year General Electric closed for several months the J-79 engine production line at Bet Shemesh—the engine for the Kfir that the company manufactures under license in Israel—because of serious quality control problems in the manufacture of turbine blades.

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[redacted] the initial prototype flight of the Lavi has slipped by six months to midsummer 1986. The first prototype is basically just an airframe to test flight systems and aerodynamics. The third prototype, scheduled for testing in early 1988, is the most important because it will incorporate the production avionics. Most knowledgeable observers believe the probability of major slippage in the production schedule at that point is high, and most agree the US aerospace industry will have to become more involved to keep the program going.

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### More Outside Assistance Expected

Prime Minister Peres has said the Lavi program is too far advanced to be canceled, and Israel would lose \$100-200 million in cancellation penalties alone if work were stopped. Peres believes expenditures can be reduced by relying more on US firms for the basic aircraft design and construction. He believes IAI should focus on manufacturing electronic components and assembling the final product.

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### Outlook

Peres is probably more sympathetic to the Lavi program than Rabin because of his background as the architect of Israel's defense industries. Peres believes the push for self-reliance will eventually pay dividends in offset agreements with foreign firms to buy Israeli products and give Israel access to technology that will enhance its position in the high-technology export market, which is one of the fastest growing sectors of the Israeli economy. A large project like the Lavi can provide lucrative spinoffs for dozens of small Israeli firms even though the project itself will lose money.

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Israel nevertheless lacks the resources to achieve self-sufficiency, and the Lavi will be another manifestation of previous projects that ended up foreign funded and controlled. Like the Kfir, the Lavi

Israeli plans to manufacture the engines for the Lavi in Israel also have run into problems.

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will be at least 70-percent US manufactured or licensed and thus subject to US export controls. Furthermore, design and performance trade-offs will make it less than state of the art and unable to compete in the 1990s with export versions of the F-16, F/A-18, or Mirage 2000. The ability of US and European aircraft manufacturers to offer customers substantial discounts and reliable long-term service contracts will undercut Israel's ability to find foreign buyers for the Lavi [redacted]

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Without foreign sales, the flyaway cost for the Lavi probably will increase between 50 and 100 percent by the time series production begins in 1992. Because the Israeli air force probably will be the only customer for the Lavi, the Israeli Government is likely to use the precedent set this year allowing Israel to use US FMS funds for offshore procurement to press for using these funds to buy the Lavi. If IAI completes its projected production run of 300 aircraft by 1999, Lavi purchases alone could total over \$7 billion in current FMS dollars. Added to this figure would be Israeli air force purchases of additional US-manufactured multirole strike fighters because the Lavi probably will not meet IAF performance expectations. [redacted]

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## Kuwait's National Assembly Election: *Diwaniyya* Democracy

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Kuwait will hold an election on 20 February for its 50-man National Assembly, the only elected political institution on the Arabian Peninsula. The ruling Sabah family appears to be taking a neutral stance toward most candidates in the election. We share the Embassy's view that the ruling family is relieved that the country is stable enough to permit such an election, thus demonstrating Kuwait's commitment to democracy, and hopes that this will help avert the polarizing influence of religious and political extremism.

### The Vanguard of Democracy

Kuwaitis like to boast that the National Assembly—which was first elected in 1963—makes their country a showplace of democracy on the Arabian Peninsula. They see the Assembly as a form of enlightened democracy that blends the best of Western political institutions with Kuwaiti tradition—a tribal council of elders in modern guise. According to the Embassy, Kuwaitis believe their Assembly should function like a public conscience, debating major social and economic issues.

Known for its lively and rancorous debate, the Assembly was dissolved in 1976 by then Prime Minister Jabir al-Ahmad Al Sabah to silence leftist critics. Government leaders argued that attacks by Arab nationalist Assemblymen on Kuwait's foreign and domestic policies and their criticism of other Arab heads of state threatened state security. Five years later, Jabir al-Ahmad—now ruler—and Crown Prince Sa'd al-Abdullah allowed election of a new assembly to fulfill their promise to restore the institution and to bolster domestic political support in the wake of the Iranian revolution.

The National Assembly has the potential, we believe, to be an influential body, but it is mindful of its past suspension and has been fairly cautious in testing its powers. The Assembly reviews government policies

### *Groups and Issues in the National Assembly*

*The representatives in the National Assembly are a reflection of Kuwaiti society—Sunni and Shia, town merchants and tribal Bedouin, religious moderates and fundamentalists, academics and civil servants. There are no Sabah family members in the Assembly. Because political parties are banned, members tend to form informal blocs that lobby for certain agendas. Observers occasionally differ on the composition of the blocs, but most would agree on the following breakdown and on their agendas:*

Bloc	Size in Current Assembly	Issues
Sunni Fundamentalist	6 (12 percent)	Most active and vocal faction; hold important committee assignments; promote Islamic law as the basis of all law; limit naturalization to Muslims only; oppose giving aid to Syria; oppose female suffrage.
Shia Fundamentalist	4 (8 percent)	Embassy reports they are distrusted by Sunni colleagues but tolerated because of large Shia population; hold no committed posts; oppose aid to Iraq; quietly pro-Iran; support Islamization of constitution.
Bedouin	20 (40 percent)	Support government on most issues; urge extension of public services to outlying areas; oppose female suffrage.
Arab Nationalists	8 to 10 (16 to 20 percent)	Favor Pan-Arab and Palestinian causes; critical of ties to United States.
Merchants	10 to 12 (20 to 24 percent)	Usually support government positions on social and security issues; press for Arab solidarity as long as issues do not conflict with internal security.

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and programs and can recommend changes to reflect "popular" views. It does not make laws, but it has the right to review budgets and interrogate ministers. It must approve laws proposed by the executive branch of the government, and it can reject treaties and recommend against foreign aid proposals. [redacted]

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### Campaigning Kuwaiti Style

Embassy reporting suggests that Kuwaitis judge candidates for the National Assembly primarily on their ability to protect parochial interests. Kuwaitis view the role of Assemblyman, according to the Embassy, in the traditional tribal framework. He uses *wasta* (influence) and acts as an intermediary to fix tickets, obtain special exemptions from regulations, and look for inside information on commercial and government transactions. Most important, he protects the special interests of his family, friends, tribe, and clients. [redacted]

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Few Kuwaitis can participate in the electoral process. Kuwaiti sources estimate that 57,000 Kuwaitis—or 8 percent of the native population of 700,000—are eligible to vote in this year's election. The right to vote and hold office is restricted to males who are 21 and whose families lived in Kuwait before 1920. Women and Kuwaitis who are naturalized citizens cannot vote. [redacted]

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Politicking also has a distinctive Kuwaiti style. Most campaigning takes place in neighborhood and family *diwaniyyas*. These are gatherings held in large tents where Kuwaiti voters gather before the election to drink coffee and gossip, listen to campaign rhetoric, debate issues with the candidate, and perhaps seek favors in exchange for their vote. Political parties are banned by law, and there are no media broadcasts, no political pollsters, and no exit polling. [redacted]

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The Embassy estimates that 300 to 500 Kuwaitis will run as candidates in the 25 electoral districts, with two representatives elected from each district. In some of the outlying districts populated by Bedouin tribes, unofficial primaries have apparently already been held to whittle down the number of candidates and increase the chances of a tribe's nominees, according to the Embassy. Sources of the Embassy also claim that the religious societies and social clubs

to which many Kuwaitis belong are restricting the number of candidates they are sponsoring, and we believe they may be willing in some cases to support each other's candidates in select districts to ensure the election of suitable delegates. [redacted]

### Campaign Issues

Issues do not play a direct or decisive role in determining the outcome of Kuwaiti elections. Voting patterns in past elections, including the 1984 municipal elections—the most recent held in Kuwait—indicate that tribal and sectarian concerns tend to influence how a Kuwaiti votes more than a specific issue. Nevertheless, Kuwaiti press coverage of the candidates' speeches and US Embassy reporting have identified several themes that, in our judgment, reflect Kuwaitis' worries and will shape the tone of debate in the newly elected Assembly. [redacted]

Three issues appear to be particularly prominent—internal security, the economy, and sectarianism. The first one, internal security, is a worry shared by both the Sabah family and the voters. Last year began in the shadow of the bombings in December 1983 of the US and French Embassies and several Kuwaiti installations. It ended with the hijacking of a Kuwaiti airliner by Lebanese Shia extremists intent on gaining the release of the 21 persons sentenced for the bombings. In between, Kuwait saw its tankers become targets in the war between Iran and Iraq. [redacted]

We believe most Kuwaitis supported the government in its refusal to negotiate with the hijackers in December. Like the Sabah family, however, they worry about the threat to their security from Iranian-backed terrorist factions and believe they are also vulnerable to military attack if the shipping war in the Gulf heats up again. An upsurge in subversion—especially if traced to Iranian-sponsored elements among Kuwait's Shia community—could unravel the delicate political calm that Kuwait appears to be enjoying. [redacted]

The second issue—the stagnant economy—is eroding relations between the Sabah family and the prominent merchant families that have been the Sabahs'

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historical base of support. Increasingly, the merchant families, who own Kuwait's banks and principal daily papers and are represented in the National Assembly by family members, have come to believe that the Sabah government is mismanaging the economy. They are particularly concerned about the settlement of debts and bad loans resulting from the crash of the unofficial stock market, the Suq al-Manakh, more than two years ago. The merchant families have charged that the government has failed to protect their interests, and they have focused their criticism on Finance Minister Ali al-Khalifa Al Sabah and the Governor of the Central Bank. The Embassy reports that the Prime Minister and even the Amir himself are at least privately accused of poor judgment. Some Assembly members accuse Ali al-Khalifa Al Sabah of dipping into the Reserve Fund for Future Generations to bail out the government. [redacted]

Even hotter than the ever-present stock market debate, the Embassy claims, is a new crisis in Kuwaiti banking circles that has political as well as religious overtones. According to the Embassy, Kuwaitis are disturbed by the announcement in mid-January that Kuwait's Islamic bank—Kuwait Finance House—will not pay a dividend despite making \$83 million in profits last year. The reason given by the bank is its dwindling assets, but the issue is bound to raise a political furor. Kuwait Finance House attempted to apply Islamic principles to banking and ordinarily would pay dividends to shareholders and depositors in lieu of interest, which is forbidden by the Koran. The Finance House was backed by the government, and many state institutions (such as social security and the Shuwaykh Port Authority) maintain significant deposits there under pressure from the National Assembly. [redacted]

Finally, Kuwaitis—in particular the Sabah family—are worried about sectarianism. Sectarianism in Kuwait covers a variety of social concerns ranging from pro-Iranian sentiment among the Shia community—more than 30 percent of Kuwait's native population—to a rise in religious fundamentalism in both Sunni and Shia religious circles. [redacted]

Kuwait's Shia community had four deputies in the last Assembly, three of whom were identified as pro-Khomeini. Shortly before the 1981 National

Assembly election, the government gerrymandered the electoral districts, increasing their number from 10 to 25 and thereby reducing Shia voting strength. Kuwait's Shias then and in the 1984 municipal elections complained that their poor showing was due to redistricting, vote fraud, and even stealing of ballot boxes, but divisions within the Shia community also contributed to their defeat. In some predominantly Shia districts, Sunni fundamentalists teamed up with other factions to defeat Shia candidates. [redacted]

[redacted] some Shias are beginning to put distance between themselves and the pro-Khomeini factions because they fear election rhetoric and government efforts to contain pro-Iranian elements will hurt their careers. [redacted]

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Kuwait's merchant families—who are predominantly Sunni—have been outspoken about the drift toward a more conservative social and religious fundamentalism and are trying to get the government to take a stand against it. The government has, we believe, encouraged press criticism of Sunni fundamentalists' efforts to segregate the sexes in Kuwaiti schools and change the country's Constitution to make Sharia (Islamic law) the sole basis of civil law. The press criticism also raised questions about the fitness of the Sunni fundamentalists for public office. [redacted]

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#### **Forecasting the Election**

The Embassy doubts—and we concur—that the government or the Sabah family will attempt to rig the election in any thoroughgoing fashion. The Embassy reports that individual members of the family may be advancing the interests of favored candidates, but we believe they will try to avoid the appearance of interfering in the "democratic process." Kuwaiti leaders in general appear to be primarily concerned that the election takes place and that it be perceived as being free of meddling. Previous attempts at intervention have not helped the family. The dissolution of the National Assembly in 1976 diminished the Sabah family's standing with their Kuwaiti subjects, while gerrymandering in 1981 brought fundamentalists into the Assembly. [redacted]

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Embassy contacts have cautioned against trying to forecast the outcome of the election. They point out that Kuwaitis are an independent lot who cannot be counted on to follow their announced preferences once they enter the polling booth. Still, we believe that tribal and family allegiances will play a major role in determining who wins the Kuwaiti election:

- Of the 25 electoral districts, 14 are populated primarily by Kuwaiti Bedouin, according to the Embassy, with one or two tribes controlling entire districts. These will stay in Bedouin hands, although the older, more malleable types may be replaced by younger, better educated cousins who are more ready to question the government.
- Sunni fundamentalists will remain an influential voice in the Assembly even if their numbers do not increase. Their insistence on Islamic themes will dominate political rhetoric and be used even by moderates who may not support the fundamentalists' program but want to avoid being tarred as anti-Islamic.
- The impact of the Shia vote is uncertain. Shia moderates may be able to win several seats, but they will need the backing of the broader Shia community. It is not clear that the Shias have decided on a coordinated strategy to ensure their candidates' success. [redacted]

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## Iran's Diplomatic Corps: Bewiskered, Bothered, and Bewildered

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The Khomeini regime has not fully revamped Iran's diplomatic service despite its nearly six years in power. Purges in the Foreign Ministry and among Tehran's diplomatic representatives abroad have lessened since the high point reached between 1979 and 1981. The continuing demands made by the Islamic fundamentalists running the government, however, clearly remain unpalatable to many Iranian career diplomats. Competing power centers within the Foreign Ministry—combined with cronyism in staffing Iranian embassies—have led to policy about-faces, duplication of effort, and rampant disharmony among Iranian diplomats.

### Cutting Back on Purges

Purges of the Foreign Ministry and the diplomatic service after the Islamic revolution in 1979 eliminated many experienced diplomatic personnel suspected of supporting the Shah. The dismissals created an atmosphere of insecurity and provoked much resentment between old and new staffers. By 1982, perhaps only 120 experienced diplomats remained from the prerevolutionary corps of approximately 580. Of that number, only one or two held ambassadorial-level posts.

Prime Minister Musavi-Khomeini began to curtail the purges while serving as acting Foreign Minister in late 1981. Foreign Minister Velayati—who assumed that post in December 1981—has advocated a more professional, efficient approach to making and implementing policy. It has been reported that during the past year Velayati has created a special staff with an authorized strength of 29 positions under his direct supervision to provide advice on policy matters. Half of that staff have diplomatic experience predating the Iranian revolution.

Velayati, who was a physician, is considerably less xenophobic than many of his colleagues at senior levels of the regime. He has impressed foreign



*Ali Akbar  
Velayati* Camera Press ©

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observers with his relative moderation—in the Iranian context—and emphasis on proper diplomatic conduct.

Velayati instructed all Iranian diplomats in May 1983 to dress in modified Western-style attire to promote a better image in dealings with their host governments. Velayati also is intent on sprucing up Foreign Ministry employees in Tehran, many of whom wear provincial clothing and sandals and give off a "notable" body odor.

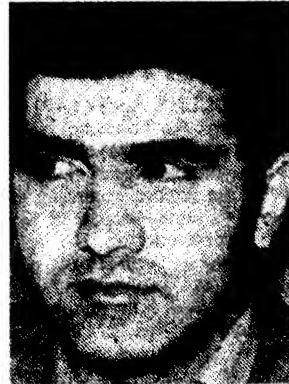
### Continuing Problems

Although Foreign Minister Velayati has become more convinced of the need for a professional diplomatic corps, career diplomats are still suspect, in the eyes of many of Velayati's more radical subordinates. Careerists appear to have fared especially poorly under Deputy Foreign Minister Sheikh-ol-Eslam, who has general charge of the political aspects of Iranian policy worldwide. Sheikh-ol-Eslam was a key leader of the militants who seized the US Embassy in Tehran on 4 November 1979. He has removed all

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Hosein Sheikh-ol-Eslam [redacted]



Hosein Kazempur-Ardabili [redacted]

career personnel from the Foreign Ministry department handling Iranian relations with the USSR and its allies, [redacted]

Sheikh-ol-Eslam's peers in the Foreign Ministry, deputy foreign minister for economic and international affairs Hosein Kazempur-Ardabili and deputy foreign minister for cultural and consular affairs Javad Ali Mansuri, appear intent on carving out power bases that, in many respects, resist Velayati's emphasis on professionalism in the ranks. The key subordinates around Kazempur-Ardabili apparently reflect his strong ties to influential clerics, and Mansuri, a former Revolutionary Guard member, has made several fellow Guardsmen his chief aides. In a move that has worsened relations between the two officials, Kazempur-Ardabili has taken on several men dropped by Sheikh-ol-Eslam. They in turn have given the former's staff a more professional quality. In many of Iran's overseas posts, each of the three deputy foreign ministers is said to have one or more favorites who correspond directly with a mentor in Tehran outside of official channels. Our latest estimate indicates there are only 80 to 100 career diplomats still in the Foreign Ministry. [redacted]

With so many "diplomats" whose qualifications consist only of previous experience in the Revolutionary Guard, endorsement by a prominent cleric, and/or ties of kinship to a key official, the lower and middle levels of the Iranian diplomatic corps are only marginally effective. These [redacted]

uneducated, inexperienced individuals bring to their posts so much radical zealotry that the functioning of an embassy can virtually halt while issues of proper Islamic standards are debated and—all too frequently—referred to Tehran for decision. [redacted]

Diplomatic conduct is still crude at times. A well-connected Iranian serving at The Hague caused a considerable delay in proceedings of the US-Iranian claims tribunal when he publicly assaulted a Swedish judge last September. Foreign governments frequently complain, correctly, that Iranian officials arrange trips to their countries on short notice and with little or no advance word on the prospective agenda. [redacted]

Conflicts over policy in both the Foreign Ministry and the government as a whole have left many professional diplomats perplexed and reluctant to display much initiative. [redacted] [redacted]

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**Outlook**

There is little prospect of an early end to the disarray in Iran's foreign policy apparatus. Velayati has generally supported professional careerists within the Foreign Ministry, but available evidence suggests that he has made little headway in reducing the power of nominal subordinates—for example, Sheikh-ol-Eslam—favored by more senior figures in the regime. The impact of this chaos on Iranian foreign relations will continue to hamper Iran's efforts to expand ties and secure support in the Third World. Last fall, for example, a major Iranian effort in the UN General Assembly to expel Israel from the United Nations proved counterproductive. The draft resolution lost by a wider margin than did a similar resolution a year earlier. 



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## International Conference Examines Shia Activism

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Participants at a symposium on "Shiism: Resistance and Revolution" sponsored by the Dayan Center of Tel Aviv University on 19-21 December 1984 expressed widely differing views on Shia activism, but some key points emerged:

- The Shia revival, beginning in the late 1970s, crossed national boundaries in the Near East and South Asia because many Shia leaders have traveled or resided in other countries in the area and have been in increasing contact with each other.
- Shia activism, especially in Iran and Lebanon, may not yet have reached its peak. More violence directed at internal and external opponents may lie ahead.
- Shiism has laid claim to Islam's moral high ground. Shia leaders historically have fought for change and the underdog, while Sunni Islam has been the religion of the status quo.
- Iran's revolution is a powerful inspiration to all Muslims, but not enough time has passed for a confident evaluation of its internal and external impact.

### The Current Revival and Response

One scholar outlined four factors as driving the recent Shia revival:

- The inspirational impact of events in Iran, the main catalyst.
- Grievances stemming from the Shias' second-class status in Lebanon, Iraq, and the Arab Gulf states.
- The impact of modernization, accelerated by the oil boom.
- Shia history with its ebb and flow of activism and quietism.

Other participants noted that the carrot-and-stick responses of Sunni regimes have been fairly successful in limiting Shia successes. According to one scholar,

Iranian-backed subversion in the Gulf states has upset established ground rules for coexistence between Sunni and Shia communities, presenting old regimes with new security problems. The Gulf Cooperation Council was described as an unprecedented example of regional coordination—a direct military response to a perceived threat. Saudi Arabia has also used generous welfare programs to quiet its sizable Shia population. Meanwhile, Iraq has skillfully played on Arab-versus-Persian animosities and stressed national unity to its own Shias during the war with Iran.

### Interconnectedness: Everywhere You Look

An underlying and recurrent theme in the discussion of Shia Islam was its "interconnectedness." Shia leaders have often been active in nations other than those where they were raised or studied:

- The famous charismatic Shia leader, Imam Musa Sadr of Lebanon, was born and raised in Iran.
- Mustafa Chamran, Iran's late, fiery Defense Minister, spent more years with the Amal in Lebanon than with his own country's revolution.
- The publisher of *The Muslim*, Pakistan's inflammatory and widely read newspaper, is a Shia from Iran.
- Although Ayatollah Khomeini had his greatest success in Iran, he spent 13 years teaching in Iraq's holy cities, where he composed his most famous doctrinal works.

The conferees noted that the Shia world is small and that members of the Shia elite have many shared experiences and are in increasing communication with each other. They meet at the sacred cities of Karbala in Iraq and Qom in Iran and in some cases have established links with militant Sunnis—especially in the Gulf and possibly in Syria. Lebanese Shia links with Iran are long standing. Other participants argued that no matter how "interconnected" Shias may be, their response to Sunni or secular rule has more commonly been one of passivity and withdrawal into their own communities.

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### The Iranian Revolution—External Ramifications

Although the scholars agreed on the disruptive impact of the Iranian revolution in the Middle East, they differed in interpreting its longer term influence. Some believed that Khomeini's leadership had:

- Reached its peak in 1979-81.
- Failed to take adequate account of local Shia grievances outside of Iran.
- Triggered middle-class resistance by its example of the devastating impact of clerical rule on existing institutions.
- Pitted Iranians against Iraqis in a debilitating Arab-Persian war.
- Led to a reduction in Iran's attraction as a revolutionary model because of demonstrated Iranian weakness.

On the other side, some scholars argued that the Iranian revolution still serves as a vibrant model. It showed that a popular uprising could topple an authoritarian regime. Furthermore, it has the potential to be an exemplar in the future, proving that Islam, after centuries of decline, can be an attractive alternative to capitalism and Communism. One scholar even argued that Khomeini's revolution is the most important ideological event in world history since the teachings of Karl Marx.

### Iran's Revolution: Internal Implications

Some discussants on Iran viewed the revolution in terms of social transformation. They believe that, although Shia doctrine was the core of the revolution, Khomeini's political acumen had broadened its appeal to professionals and youth. One scholar noted that Khomeini has used coercion—purges, spying on family members, public punishments—as well as messianic doctrine to reshape society along Islamic lines. Consolidation of power by the clerics, according to another scholar, may eventually lead to more flexibility by the regime; for example, emphasis on the unity of Islamic sects or attempts to attract more of the middle class for economic reconstruction—without constant reference to the Shia element.

Another discussant had a different version of events in Iran, arguing that contemporary Iran is a classic fascist, authoritarian regime characterized by the traditional phenomena of rightwing governments: a

charismatic leader, single-party government, police-state atmosphere, expansionist foreign policy, anti-intellectualism, and anti-Semitism. Both this speaker and several others said there was a good chance that, authoritarian or not, Iran was heading for an even bloodier internal conflict, with the possibility that a "Napoleon or Stalin" was waiting in the wings.

The participants concluded that, both domestically and externally, it is too soon to determine the long-term impact of Iran's revolution. A consensus emerged, however, that more unconventional warfare was likely—assassinations, bombings, and hijackings. Iran may provoke these acts out of a belief in its own inability to affect regional politics and because terror and tyrannicide are acceptable elements of Shia belief.

### Lebanon: Protest of the Disinherited

The interconnectedness theme reemerged in discussions on Lebanon. From a "marginal people locked in enclaves" in the 19th century, the Shias in Lebanon have become increasingly assertive. Imam Musa Sadr radicalized Shia communities through hortatory condemnation of their economic deprivation and lack of political rights under minority rule. The Shia movement in Lebanon turned from passivity to militance, even forming a militia. Funding has been received from expatriate Lebanese Shias.

The participants gave the Shia Amal credit for being a moderate, centrist force in the midst of Christian Maronite fanaticism, Syrian interference, Israeli occupation, and Shia fanatic groups. One speaker argued that Israeli withdrawal from southern Lebanon would leave the Amal preeminent in the area, committed to confessional sharing of power in Beirut, and loyal to a Lebanese state that would give Shias a greater part of the economic and political pie. Another participant argued that Shia radicalism would overtake Amal in a violent revolution, leaving new clerical leaders to set the agenda for a bloodbath against Syrians, Christian communities, and the ubiquitous Palestinians.

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**Secret****The Subcontinent—The Frontier of Shiism**

The discussion of Shia activism in Pakistan, Afghanistan, and India was consistent with one participant's observation that "the further away from Khomeini, the more diluted the message of Shiism." The Shia minority there remains unassimilated, content to contain their grievances except during sporadic outbursts at Muharram ceremonies reenacting the martyrdom of Husayn in 680. Where there has been a significant escalation in violence in both Pakistan and India, the scholars suspected, but could not prove, that Iran was involved.

In Afghanistan's heavily Shia Hazarajat region, Khomeini's new Revolutionary Guard representatives have ousted the older, traditional resistance groups, reflecting what one scholar described as Iran's intention to use the Hazarajat region as a base for future activities in Afghanistan. He claimed that Hazara nationalism is declining and Islamic fundamentalism growing.

In Pakistan, President Zia is faced with Shia clerical demands for greater representation in the legislature and the Federal Council. Pakistani Sunnis claim the Shias are "blackmailing the government." Pakistani Shias have ominously designated Khomeini as their *marja*, or supreme religious leader.

**A Historical Footnote**

The symposium chairman noted that the only other academic colloquium on the Shias he could document was held in Strasbourg in 1968, where a fiery young Shia cleric named Musa Sadr delivered an extemporaneous speech. Musa Sadr was viewed as an odd, although authentic, Shia voice from an insignificant country, Lebanon. The chairman lamented that his words were lost to history. No official notes were taken, and Musa Sadr failed to provide a monograph.



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## Pakistan: Reflections on Zia's Referendum

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The referendum of 19 December 1984 was neither the great victory Zia proclaimed nor the disaster claimed by the opposition. The opposition can take heart from the low turnout in Pakistan's cities, but, by simply holding the poll, gaining what is barely an acceptable result, and removing his own future as a subject for political bargaining, Zia has reinforced his position as the dominant player in Pakistani politics and opened the way for controlled elections in late February. With the Army behind him, Zia still retains the initiative. He will have to broaden his constituency if he is to gain a workable result in the coming elections.

### **The Turnout**

Although Zia has concentrated on the 97.7-percent "yes" vote in claiming a mandate, we doubt that Zia has really enhanced his political legitimacy as a result of this referendum. We find the government's official figure of a 60.7-percent turnout not credible.

Independent reports from Pakistan suggest the overall participation rate probably was closer to 30 percent, with rural areas voting around 25 to 35 percent and urban areas around 15 to 25 percent. A 30-percent participation rate would be about 5 percent below average for Pakistani elections and, at least in terms of numbers, cannot be considered a defeat for Zia. Referendums generally attract fewer voters, and clearly this exercise generated little public enthusiasm. There is no indication of the high rates of participation—65 to 75 percent—that occurred in parts of Punjab and Sind in the benchmark 1970 Bhutto election.

Support from several groups undercut the formal opposition of the Islamic political parties and gave Zia at least a minimum result in key cities like Lahore and Karachi. The participants included strong Zia supporters and people brought to the polls through the efforts of the local bureaucracy and, especially in

rural areas, pro-Zia landlords and tribal leaders. In the cities, particularly in Punjab, Zia was aided by the support of the bazaar merchants and most local clerics, according to media reports.

The official data and media reports indicate regional variations in voting participation:

- Returns suggest only non-Sindhis (muhajirs and Punjabis) voted in significant numbers in the rural Sind districts most affected by the 1983 disturbances.
- Participation was low (10 percent) in the North-West Frontier Province, except around Peshawar, where some Afghan refugees may have voted.
- More than 40 percent of the voters participated in the more backward and conservative districts of western Punjab, where landlords retain considerable local authority. Rates were lower in the more developed and politically conscious canal colony districts.
- Voting in the cities varied according to neighborhoods. We suspect a higher turnout in inner city bazaar areas and middle-class neighborhoods and a lower turnout in the factory estates, industrial suburbs, and the rural migrant fringes known as *kachhi abadis*.

The most disquieting feature of the election was the barely adequate showing in urban Punjab, the prosperous rural areas around Lahore and Multan, and the canal colony districts of Faisalabad and Sahiwal, areas traditionally in the forefront of political change in Pakistan. The results in the key city of Lahore show that, despite bazaar merchant and clergy support, Zia has an even narrower base

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than some experts suspected. According to the BBC, independent observers in Lahore put the turnout there at 10 percent.

### **The Noori Masjid Incident**

The unimpressive showing in urban Punjab encouraged the opposition to try demonstrations in Lahore. According to press accounts, a violent demonstration on 20 December was the largest protest in Punjab in five years. Clerics used the Noori Masjid—an important mosque near the railway station—to gather a crowd of from 5,000 to 10,000. Their allies in the Movement for the Restoration of Democracy (MRD) probably hoped to bring out the students from the nearby Islamia College and workers from the railway yards. We suspect that the clerics belonged to the pro-MRD Jamiat-ul-Ulema-i-Islam.

Although the police contained the protest with a minimum of force and have had little difficulty with subsequent, smaller demonstrations, Lahore has always been a center of opposition to Zia among lawyers, journalists, activist women, and Pakistan People's Party (PPP) leaders. These groups so far have failed to gain broad public support, but any indication that student coalitions, labor unions, and urban lower-class elements are joining protests would spell trouble for Zia.

### **Zia's Position**

Zia and the senior generals are committed to pressing on with the elections. Zia, in our view, continues to benefit from underlying public concern about the Soviet presence in Afghanistan and Indian intentions, from a still buoyant—if somewhat slowing—economy, and from the political apathy of most Pakistanis. The referendum probably has not seriously damaged his standing with the upper echelons of the Army, although the low turnout will cause concern and probably would limit Zia's staying power if disturbances break out in Punjab.

The low turnout in the cities is an indication that President Zia now must concentrate on expanding his political base and finding ways to divide the opposition. He is faced with three relatively discrete political groupings:

- Regionalists, including the National Democratic Party in North-West Frontier Province (NWFP),

the Pakistan National Party (PNP) in Baluchistan, the Sind Awami Tehrik, pro-Sind elements in the PPP, and assorted small pro-Moscow leftist groups. The left wing of the Punjab PPP will be a swing group but could end up in an alliance with this group, bringing with it a considerable part of the PPP's street strength. The Jamiat-ul-Ulema-i-Islam, which has pockets of strength in the NWFP and Baluchistan, is also a part of this general grouping.

- The moderates/centrists, comprising PPP landlords (Sindhi and Punjabi), pro-PPP professionals and technocrats, the Tehrik-i-Istiqbal, and smaller nationalist groups like the Pakistan Democratic Party (Nawab Nasrullah Khan), and elements of the Muslim League.
- The pro-Zia group, including so far the Jama'at-i-Islami and the Pagaro Muslim League, and potentially the Jamiat-ul-Ulema-i-Pakistan. Many of the Ahl-e-Sunnat (JUP) clerics in Punjab supported Zia in the referendum, according to press reports. The JUP leadership (Noorani) will have to decide whether it wants to follow the mosque-level clerics into a virtual alliance with Zia.

### **Outlook**

Zia, in our view, will probably try to split the moderates from the regionalists in the Movement for the Restoration of Democracy and then seek to divide the moderate and leftist wings of the PPP. We believe Zia's recent announcement that political leaders can run in the elections is a step in this direction. Zia probably will gain new allies, but we doubt that Ghulam Mustapha Jatoi, the key player in the PPP scenario, will break with PPP Chairman Benazir Bhutto if she maintains the party's boycott of the elections.

The opposition still needs an issue that can galvanize diverse groups into active opposition. It still must convince most Pakistanis that it constitutes an acceptable alternative to the current regime.

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The overthrow of an Army-backed government probably cannot yet occur in Pakistan. The opposition has to convince the Army that Zia can no longer rule effectively or maintain law and order and must be replaced. It will seek to broaden the unrest in Punjab, but, to be successful, it must galvanize urban groups that so far have remained politically apathetic.



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## Bangladesh: Soviet Subversive Efforts

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Soviet subversion in Bangladesh takes the form of financing opposition parties and politicians, sponsoring antigovernment strikes, and spreading disinformation about US policy. Although Soviet support of leftist movements contributes to Bangladesh's present political stalemate, we do not believe that Ershad's regime is seriously threatened by Soviet meddling.

### The CPB: Conduits for the Soviets

The Communist Party of Bangladesh (CPB) is the main vehicle for Soviet subversion. Headed by Mohammad Farhad, the CPB claimed to have 5,700 members in 1972.

[redacted] membership has since declined to about 2,000.

[redacted] Farhad has been under pressure from a rival faction in the CPB that is accusing him of poor leadership and "deviation from the revolutionary line." [redacted] the dissidents hope to gain control of the CPB by tarnishing Farhad's reputation and ultimately replacing him with their own candidate.

Farhad contributes Soviet-supplied money to other leftist parties and often coordinates strategy with them. [redacted] These other parties include the Bangladesh Krishak-Sramik Awami League (BKSAL—Bangladesh Farmers-Workers Awami League) and Jatiya Samajtantrik Dal (JSD—National Socialist Party). The CPB, BKSAL, and JSD all belong to the 15-Party Alliance, a left-of-center political coalition opposed to Ershad's martial law regime. The alliance is led by Sheikh Hasina of the pro-Indian Awami League.

subversive activities and distribute funds. The Embassy has a diplomatic staff of over 60, making it the largest mission in Dhaka. Approximately 100 Bangladeshi nationals work for the Soviet Embassy, and the Soviets select the nationals who work for them.

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### Pivotal Role of Soviet Embassy

[redacted] Moscow mainly uses the Soviet Embassy in Dhaka to manage

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Shortly afterward, leftist newspapers used a meeting between the Ambassador and a conservative Bangladeshi politician as an excuse to accuse the Ambassador of trying to form a rightwing alliance to prop up President Ershad. In a similar vein, [redacted]

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[redacted] protest against the visit of a US Navy ship to the port of Chittagong in January 1985. The protests, which were echoed in the leftist press, alleged that the ship visit indicated future US use of Chittagong as a regular port of call. [redacted]

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The Soviets have also sought to use their assets in Bangladesh to prolong the current political stalemate and prevent Ershad from strengthening his position. In December 1984, [redacted]

[redacted] the CPB to organize protest activities throughout the country with the aim of disrupting private talks between Ershad and opposition leader Sheikh Hasina Wazed.

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[redacted] the CPB to refuse to participate in the parliamentary election that Ershad has announced for 6 April 1985. [redacted]

#### Dhaka's Unhappiness

Soviet support for the left has, not surprisingly, had a negative impact on Dhaka's view of Moscow. Rising leftist activity in 1983 led Ershad to expel 15 Soviet diplomats in December of that year. Since then, the Soviets have tried to arrange a visit to Bangladesh by their Deputy Foreign Minister. Moscow has also offered to enter into joint projects with Bangladesh, such as building a nuclear power reactor, and appointed a new ambassador, Vladimir Beliaev, who arrived in November 1984. [redacted]

[redacted] Ershad and his advisers have so far reacted coolly to the Soviet overtures [redacted]

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[redacted]  
Another form of Soviet-inspired meddling is [redacted] disinformation against the United States. [redacted]

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[redacted] the CPB decided in early December 1984 to conduct a vilification campaign against the US Ambassador in Dhaka.

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[redacted] Ershad and his advisers also decided to further reduce the size of the Soviet Embassy by refusing to issue visas to Embassy

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personnel and to select the Bangladeshi nationals who work in the Embassy. To date, however, Ershad has failed to follow through on these decisions. He has demonstrated a capacity for procrastination and also wants to maintain an image of evenhandedness in relations with the superpowers. [redacted]

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**Outlook**

Bangladesh, with a weak, pro-West government and major social and economic problems, will remain a tempting target for Soviet subversive efforts.

Accordingly, the Soviets are likely to continue to encourage agitation by sponsoring civil disobedience in the hope that this might prompt Ershad to postpone elections again. This would buy time for the CPB and other leftist parties to increase their influence within the 15-Party Alliance. The Soviets know that the pro-Soviet parties are weak and unlikely to seize power except in coalition with the larger, non-Communist forces. [redacted]

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Realistically, the Soviets' best hope is for the pro-Indian Awami League, which heads the Alliance, to come to power. Dhaka, under Awami leadership, would be more favorably disposed toward both Moscow and New Delhi. [redacted]

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Popular distrust of the Soviets, as a result of the invasion of Afghanistan and their ties to India, will remain high. The Bangladeshi military, in particular, is strongly anti-Communist. [redacted]

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**Sudan: Disjoined Justice**

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Sudan's legal system—buffeted by President Nimeiri's frequent restructuring of the courts and reshuffling of judges during the past year—is in disarray. Nimeiri's application of Islamic justice has split public opinion in the north, helped to unify his opponents in the south, and stimulated foreign protests. If moderate sentences are handed down over the next several months, the contentious issue may be defused somewhat and Nimeiri's judicial alterations would remain in place. If Nimeiri revives harsh punishments, however, and continues to meddle in the judicial process later in the year—when economic hardships are expected to increase in the northern provinces—disgruntled legal professionals may help spark civil disorder and increase dramatically the President's political vulnerability.

The nominal change of emergency courts into "decisive justice" courts in early July underscored Nimeiri's efforts to make the new arrangements permanent. Moreover, Nimeiri made all decisive justice courts directly accountable to him and thereby stripped Sudan's provincial governors of their judicial authority. Decisive justice courts—initially composed of a jurist and two other members from the armed forces, the prison system, or Sudanese state security—evolved into one-man tribunals in which the jurist has nearly absolute power. Members of the Supreme Court and the regular lower courts were gradually edged out of the judicial process.

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**Sudanese Law: The Constitutional Framework**

The Permanent Constitution of 1973 distinguished civil justice from criminal justice. Civil justice was to be administered by the Supreme Court, provincial courts of appeal, and other courts. Criminal justice was to be administered by major courts and magistrate's courts. Major courts convened by provincial judges tried serious crimes, and magistrates had jurisdiction in lesser offenses.

Sudan's legal customs further distinguished secular law—applied to all citizens—from Sharia, or Islamic law. Sharia courts handled such matters as marriage, divorce, inheritance, and family disputes of Sudan's Muslims.

**Nimeiri Overhauls the System**

Nimeiri has taken increasingly bold steps to alter the legal framework since he declared a state of emergency in April 1984. He first undercut the role of major and magistrate's courts by empowering "emergency" courts to try cases that range from alleged crimes against individuals to corruption and offenses against the state. Nimeiri then created emergency civil courts and courts of appeal.

The activities of Nimeiri's decisive justice courts have disrupted the judicial system by blurring the distinction between secular law and the Sharia.

"Decisive" court jurists, appointed by Nimeiri on the recommendation of his fundamentalist advisers, have convicted both Muslims and non-Muslims for such offenses under the Sharia as adultery and the use of alcohol.

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The severity of decisive justice varies. The key factors, in our view, are the degree of Nimeiri's religious fervor at any given time, the influence of his Islamic advisers, and the reaction of foreign governments. Decisive courts ordered amputations, hangings, crucifixions, and floggings on a weekly basis through last fall. The punishments declined, however, when Muslim Brotherhood leader Hasan al-Turabi lost favor with Nimeiri and when Egypt, Saudi Arabia, and Western donors of aid expressed concern over Nimeiri's extreme application of Islamic law.

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Although Nimeiri relaxed his Islamization policies by lifting the state of emergency in late September, he continues to spread confusion in the legal community. His Judicial Act of 1984 revamped the judiciary into

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"a Supreme Court, a Supreme Administrative Court, and various judicial bodies" but did not specify their roles. At the same time, the act established a separate criminal court system with its own court of appeals. These courts are the decisive justice courts [redacted]

Many jurists noted for issuing harsh sentences hold key positions in the judiciary. The US Embassy in Khartoum reports that they control the Supreme Court and the new criminal courts. Fuad al-Amin Rahman, who replaced an opponent of Nimeiri's Islamization policies as chief justice of the Supreme Court, substituted jurists schooled in the Sharia for secular judges [redacted]

#### Nimeiri's Motives

A major reason for Nimeiri's assault on the legal system is, in our view, his desire to weaken Sudan's traditional judges and lawyers as a potential organized opposition. The judiciary and Sudan's "advocates" have defied Nimeiri in the past, the latest instance being a strike in late 1983. Presidential decrees that usurped the power of the traditional courts allow Nimeiri to punish the legal professionals without arresting them and risking a wave of popular support on their behalf. Nimeiri probably has directed his attack primarily against the judges because, unlike the lawyers, they lack a union. [redacted]

Nimeiri also appears to believe that widespread and strict adherence to Islamic practices will help solve Sudan's problems. To the extent he sees the Sharia as a vehicle to "purify" his countrymen, Nimeiri may feel driven to turn Islamic courts into a comprehensive network capable of serving permanently as Sudan's only judicial system. A recent reduction in the crime rate in Khartoum probably helps to confirm for Nimeiri the wisdom of harsh Islamic justice. [redacted]

#### Domestic Reactions

Sudan's traditional judges are embittered by Nimeiri's policies, but their response so far has been feeble. Civil court judges have complained that their professional careers are ruined [redacted] but they have not engaged [redacted] in active opposition to the government. [redacted] over half the judges in Khartoum Province last month charged Chief Justice Rahman

with corruption and incompetence and threatened to resign or strike, but they backed down when Nimeiri's legal advisers promised modest concessions. [redacted]

We believe the judges have mounted little resistance to Nimeiri's judicial alterations partly because they fear this might only worsen their situation and partly because they are uncertain whether other groups would support their cause. Nimeiri has withheld promotions and other benefits from civil judges since last summer and could continue to do so [redacted]

Lawyers in Khartoum's highest courts have issued a declaration that Nimeiri's appointees are unfamiliar with judicial procedures and the rules of evidence and, therefore, are unqualified to preside, but they have not coordinated their moves with the judges. Lower-class Muslim northerners—the group that has received most of the floggings and amputations—appear either cowed by or resigned to Islamic justice. [redacted]

The military also lacks incentives to support the judges. With few exceptions, Nimeiri has carefully avoided subjecting soldiers to charges or punishments under the Sharia. In addition, we believe the officer corps views the traditional judiciary as a rival in Sudanese politics and may welcome a policy that weakens the judges' standing. [redacted]

Military men are concerned, nonetheless, that a renewal of harsh punishments may trigger civil disorder in the north. [redacted]

#### What Happens Next?

The judicial actions Nimeiri takes over the next several months will significantly affect his political

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position because he is already vulnerable as a result of the southern insurgency and staggering economic problems. Barring a negotiated settlement or a severe cutback in arms available to Nimeiri's enemies in the south, we believe the insurgents will score victories that will progressively weaken morale in the Army and deepen the military's disenchantment with Nimeiri's policies. At the same time, economic observers forecast food and water shortages for the northern provinces that will increase in severity through 1985. Given these hardships, the political climate in the north will be volatile and provide an opening for Nimeiri's opponents. [redacted]

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Under these circumstances, if Nimeiri shows restraint in approving Islamic punishments, Sudan's traditional judges are likely to remain powerless against his efforts to institutionalize his new court system. If Nimeiri, on the other hand, approves more harsh sentences while he continues to concentrate judicial power in the hands of Islamic jurists, a judges' strike—alone or perhaps with lawyers—could serve as a catalyst or reinforcement for wider disturbances in Khartoum. In such an event, the military may be unwilling to back the President. [redacted]

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## Egypt: Prospects for Prison Reform

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Egypt's overcrowded prisons have long been a subject of foreign and domestic criticism. The Mubarak government has been spurred by prison riots, public criticism of police abuses, and embarrassing stories in the opposition press throughout 1984 to undertake some limited reforms. Further reforms are likely to face resistance, however, from the entrenched police-prison bureaucracy that finds the current system both convenient and personally rewarding.

### The Prison Systems

Egypt has two separate prison systems. The Defense Ministry operates a military prison system, while a civil system is under the administrative control of the Ministry of Justice. Actual control of the civil system resides with the police.

### Military Prisons

Although details on the military prison system are sketchy, we believe it probably is less harsh than the civil system. [redacted] the morale of military prisoners seems good despite the expected complaints about substandard food, poorly ventilated cells, and inadequate family visiting privileges. Officers and enlisted men are segregated from each other. In addition to receiving better treatment than enlisted men, officers are held in one prison and never transferred to the civil prison system.

[redacted] enlisted men with sentences longer than a year are usually transferred to the civil system. This adds to the overcrowding in civil prisons, but we believe the space and resources it frees in the military system are used to rehabilitate less serious offenders to facilitate their return to duty.

### The Civil Prison System

Egypt's civil prison system includes local police station holding cells, women's prisons, children's prisons, and large metropolitan or city prisons.

The holding cell in a local police station is the first prison encountered by a person arrested, detained, or held for questioning by the Egyptian police.

[redacted] these cells are equipped only with the barest essentials because they are not intended for long-term housing. [redacted] only average Egyptians without "influence" and foreigners believed to be "subversive" are held in these cells while awaiting a hearing or a trial. For example, the civil police can only detain, and not arrest, military personnel, so soldiers are held only briefly until released to the custody of the military police or their commanding officer. Western tourists and "friendly" foreign businessmen are turned over to officials from their respective embassies rather than arrested, unless they are picked up for espionage or subversion. Children under age seven arrested for criminal activity are returned to their parents, while those age eight to 18 are held at the discretion of the local police. Persons over age 18 are treated as adults and usually detained.

[redacted] foreign diplomats, VIPs, and persons with political influence are arrested and detained only on the orders of higher police officials. No local record is kept of their arrest, and only the police chief knows the disposition of these cases.

The Egyptian police's search for quick solutions to criminal cases usually begins in the holding cells of the local police stations, where suspects undergo the first of many interrogations. Although we do not believe the Egyptian police engage in an officially sanctioned pattern of torture and physical abuse, press accounts [redacted]

[redacted] reflect an ingrained police preference for physical means to obtain a confession from a

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recalcitrant suspect. [redacted] local police also have been known not to list a suspect's arrest on the official police blotter to permit more time to "question" him. Once the police interrogation is complete, however, the arrest record is properly annotated. [redacted]

Egypt maintains separate prisons for each sex. Although we lack detailed information about women's prisons, available open sources indicate their facilities suffer from similar, though less severe, problems as the men's prisons. Sexual abuse of prisoners and the prisoners' use of sex to gain favors from guards, however, may be more widespread in the women's prisons. [redacted]

[redacted] the best way to prevent this kind of abuse is to provide the women's prisons with more female staff. [redacted] as late as 1981 over 90 percent of the guards in the women's prisons were men. [redacted]

Children's prisons are actually reform schools for children aged eight to 18. [redacted]

Conditions are reported to be hard but not harsh, with an emphasis on discipline and on providing the children with both an education and some type of trade or craft to preclude return visits. [redacted]

Egypt's largest and most trouble-plagued prisons are those for adult men located in the major metropolitan areas. Many of these are old, overcrowded, and without adequate medical and sanitary facilities. Although the press has highlighted "model" prisons, where living conditions are acceptable and some limited vocational training is offered, these conditions do not exist in the older, larger institutions. [redacted]

[redacted] a major problem is the perception by both the police and public that duty on a prison staff is undesirable, fit only for the

<sup>1</sup> Torture is illegal in Egypt, and any confession obtained under duress is inadmissible in court. Although Egyptian courts often dismiss police cases based on forced confessions, old police habits appear hard to break. In any event, the police prefer to present their cases before law-and-order judges who are willing to overlook embarrassing details. [redacted]

<sup>2</sup> Egyptian law permits a pretrial detention period of up to 90 days to facilitate police investigations. Sometimes, however, a longer period is required to gather evidence and obtain a confession. [redacted]

least capable personnel. Poor quality facilities staffed by poor quality personnel thus appear to have produced a penal system characterized all too frequently by physical abuse of prisoners, inmate violence, internal drug dealing, and official corruption. [redacted]

[redacted] Egyptian prisons often become "schools for crime" because first-term minor offenders are not separated from hardened criminals. [redacted] the lack of separate minimum and maximum security prisons also facilitates continued criminal control of prison life. At Al-Hadara prison in Alexandria, for example, [redacted] wealthy drug smugglers and their associates enjoyed luxury cells with color televisions, videotape recorders, and meals catered from home. Drug and alcohol abuse were widespread, and many prisoners were armed with knives and even handguns. [redacted]

[redacted] For the majority of the prisoners, however, overcrowding, poor sanitation, bad food, and inadequate medical care are the norm. [redacted]

#### Impetus for Reform

We believe the Mubarak government's concern over substandard prison conditions has produced at least some marginal improvements over the last several years. We believe reform efforts, however, probably have been driven more by security concerns, internal police power struggles, and embarrassing press accounts—which could jeopardize Egypt's chances to obtain more foreign aid—than by concern over prisoners' welfare. [redacted]

Prison riots—at least five of which have been reported since mid-1983—appear to have been the greatest single impetus for change. Probably the most significant improvement has been in the handling of prison disturbances: water cannon, tear gas, and minimum armed force are now generally used instead

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of having the Central Security Forces storm the prison under a volley of automatic weapons fire. The government also has demonstrated a willingness to negotiate with prisoners holding hostages and to discuss prisoner grievances seriously. In addition, both the previous and current Interior Minister have appointed senior police officials to investigate prison conditions.

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### **Reform, Corruption, and Internal Power Struggles**

Long-established and frequently corrupt relationships among police, prison officials, and local criminals are important obstacles to prison reform because any effort to change the existing system threatens these profitable ties.

Position and longevity are the keys to power as a police or penal officer in Egypt.

Although a local police chief occupies a more prestigious and potentially lucrative position than a prison warden, a warden who has worked his way up in the prison system in his city or governorate often has more local influence than a newly appointed police chief who was transferred to the job from outside the region. Stability brings power, influence, and the commensurate opportunity to receive what a former Egyptian police officer described as "gifts from a grateful people who recognize the importance of your work."

Under these circumstances, however, prison reform and patronage also can work together. Prison disturbances, press accounts of prisoner abuse, and judicial inquiries into police conduct offer an interior minister the opportunity not only to initiate prison reforms but also to remove entrenched or corrupt police and prison officials and replace them with officers he considers more loyal.

former Interior Minister Abu Basha and current Minister Rushdi responded to major prison disturbances by replacing wardens and staff and publicly initiating criminal investigations of the treatment of inmates.

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### **Outlook**

Prison reform does not appear to be a high priority for the financially strapped Egyptian Government. Moreover, public support for prison reform is highly variable. We believe most Egyptians probably expect the worst from their prison system and, in any event, probably believe prisons should not be made too comfortable for inmates. We believe the combination of public apathy, corrupt officials, internal police power struggles, and low funding will continue to preclude substantial improvement in prison conditions. Continued US and Western expressions of concern about human rights in Egypt, however, remain important. We believe at least modest progress is likely as long as the Interior Minister can use the cause of prison reform—as justified by these and other pressures—to strengthen his position within his ministry and the government.

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